



GENERAL PROPERTY TRUST

**General Property Trust
ASX Announcement and Media Release**

**GPT INVESTS IN SECOND MASTERPLANNED
URBAN COMMUNITY DEVELOPMENT**

31 October 2003

GPT today announced the investment in the Trust's second masterplanned urban community development on the site of the Twin Waters Resort in Mudjimba, Queensland. This project will be undertaken in joint venture with Lend Lease through GPT/Lend Lease's alliance for the development of masterplanned communities projects.

The Twin Waters Resort consists of the Novotel Twin Waters Resort, an 18 hole championship golf course, and leisure facilities. The Twin Waters Resort forms part of the larger Twin Waters masterplanned community that has been progressively developed by Lend Lease over a number of years.

Nic Lyons, Chief Executive Officer, GPT, said that this project demonstrated the strength of the pipeline that GPT was able to access through the Lend Lease alliance and the ability of GPT to access stronger returns through exposure to the masterplanned communities sector.

Ross Taylor, CEO of Lend Lease in Asia Pacific, said that the joint redevelopment of Twin Waters Resort demonstrated the strength of the alliance between GPT and Lend Lease and the ability of the parties to leverage their respective strengths.

GPT has acquired a 49% interest in a joint venture company established to acquire and redevelop the Twin Waters Resort. GPT's share of the initial acquisition is \$20.6 million plus acquisition costs. Completion of the acquisition is expected to occur later today.

The Novotel Twin Waters Resort will be redeveloped over a period of 7 years into a resort and residential community of approximately 370 dwellings, designed along the lines of the successful North Shore residential development undertaken by Lend Lease on adjacent land. The development will capitalise on the established market position of the North Shore development. The golf course, central facilities and leisure facilities are to be on-sold at a later date to specialist operators.

Located on the popular Sunshine Coast, Twin Waters Resort will benefit from strong demand being experienced and forecast to continue on the Sunshine Coast, with the population expected to grow at more than 3% per annum through to 2021.

"This is a great opportunity to essentially develop the next stage of what is already a very successful, proven development and to boost returns to GPT's unitholders," Mr Lyons said.

GPT expects that the peak capital commitment will be \$30 million with an average capital commitment of \$20 million. The purchase and redevelopment is to be funded with existing lines of credit.

It is expected that the first stage of the residential component will complete in mid 2005.

"Following our success in securing the Rouse Hill Regional Centre in joint venture with Lend Lease we are delighted to have secured a second project which meets our template.

"Since announcing our alliance in February 2003 we have quickly developed a presence in this sector. Combined with the Rouse Hill Regional Centre, we already have close to 2,000 lots under development and we are continuing to review further opportunities," Mr Lyons said.

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ADDITIONAL INFORMATION

Overview

Twin Waters Resort will be acquired and redeveloped by a joint venture company ("JVC") under the terms of the alliance between GPT and Lend Lease. GPT has acquired a 49% interest in the JVC. Settlement for the purchase is due to complete later today.

Located on the popular Sunshine Coast, the Twin Waters Resort redevelopment will benefit from the strong demand being experienced and forecast to continue on the Sunshine Coast, with population forecast to grow at more than 3% per annum through to 2021. This strong population growth and demand for new housing has resulted in significant appreciation in housing prices over past years.

The site is located within close proximity to the beach, the Maroochy River, leisure facilities and is adjacent to the Maroochy River Conservation Park. The site is therefore considered to have attributes that will appeal to potential purchasers.

Current investment

The Twin Waters Resort currently includes:

- the Novotel Twin Waters Resort
- an 18 hole championship golf course
- an undeveloped 9 hole chip and putt golf course
- leisure facilities

The Twin Waters Resort is currently managed by Accor Hotels and Resorts, who will continue to operate the resort and provide an income stream to the JVC whilst the master plan and authority approvals are finalised.

Planned re-development

Following the acquisition of the land, the JVC will redevelop the Novotel Twin Waters Resort into approximately 370 dwellings / lots over a 7 year period. The development will follow on from Lend Lease's successful North Shore development and include a range of beach homes, villas and luxury apartments.

The development will predominantly be built form. Prices are expected to range from the low \$400,000s to in excess of \$1 million for premium beachside houses.

The ownership of the central facilities, 18 hole golf course and resort management rights will be on-sold at a later date to specialist operators.

It is expected that the first stage of the residential component will complete in mid 2005. The remainder of the dwellings will be developed in stages over a 7-year period.

GPT anticipates its share of the peak capital commitment to be no more than \$30 million, with an average capital commitment of \$20 million over the life of the project.

Joint Venture

GPT has entered this project, and the masterplanned communities sector, in partnership with Lend Lease's integrated development business. This business caters to a range of dwelling types and maximises the range of potential product within a masterplanned community project, providing a high level of experience and expertise in all aspects of masterplanned urban community development.

Under the arrangements for the development of Twin Waters Resort, GPT will have a 49% interest in the project, through a 49% interest in the JVC established to undertake the development.

The joint venture includes provisions dealing with a change of control of both parties. Under these provisions, a change of control of Lend Lease Corporation gives GPT a call option to acquire Lend Lease's interest in the project. Lend Lease has a call option to acquire GPT's interest in the event of a change in control of either GPT or GPT Management Limited (including a non Lend Lease company becoming responsible entity). In each case the consideration payable will be determined by reference to an expert determined market value.

GPT/Lend Lease Alliance

Together Lend Lease and GPT are reviewing a number of opportunities for future joint projects that meet an agreed investment template, of:

- Masterplanned urban communities
- Focus on the owner-occupier market
- Located in growth markets
- Large, long term projects.